

# FOREIGN POLICY BULLETIN

*An analysis of current international events*



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## Foreign Policy Initiative Passing to Congress

WASHINGTON — The control of United States foreign policy is in danger of passing gradually from the President to Congress. The evidence of this change can be found in several developments: (1) the wording of the troops-for-Europe resolution which the Senate approved on April 4; (2) the inability of the Democratic leaders of the House to persuade their colleagues to authorize universal military service in the military bill which the House debated on April 9; (3) the refusal of the House Appropriations Committee on April 6 to recommend an appropriation of \$97.5 million for the State Department's overseas information program; and (4) the role of House Republican Leader Joseph M. Martin in eliciting a letter from General Douglas MacArthur advocating, contrary to the policy of his own and other United Nations governments, that the UN reinforce its action in Korea by aiding the Chinese Nationalist forces in Formosa to attack the Chinese Communists on the Asian mainland. While the Administration is unlikely to accept General MacArthur's advice, publication of his letter by Representative Martin fortifies congressional critics of the Administration's competence to conduct foreign policy.

### Congressional Criticism

The passing of control over foreign policy from the President to Congress poses a critical question for the future of the United States in world affairs. While recent congressional votes in the main reveal sympathy with the Administration's objectives, Congress is not well organized for the task of carrying forward foreign policy on a consistent basis without constant guidance from the Executive. The current

attitude of Congress reflects its serious doubt that the Administration is able to implement the policy which it has itself developed. This doubt may easily lead to mistrust of the goals as well as of the implementation of the foreign policy conceived by the Administration. The extent to which Congress ultimately may go in paring the Executive's authority in dealing with foreign affairs will be indicated by Congress' views on the 1952 foreign aid bill. The Administration is now preparing that bill for submission to Congress.

The resolution respecting the assignment of American troops to Europe authorized the President to send the four divisions which he had announced he intended to send. It expressed the sense of the Senate that the President should seek congressional approval before dispatching other divisions. The resolution does not legally restrain the President from committing additional American forces to Europe if he wishes. But it is a political warning that the Senate does not want him to send a fifth division on his own responsibility. If he should order a fifth division to Europe without consulting the Senate, he will run the risk that the Senate may reject other foreign policy requests which he might later make to the Capitol.

The coolness of the House toward the universal military training program approved by the Senate reveals doubt as to the competence of the Administration to select the proper time for inaugurating the program, which would bolster the Administration's effort to base its foreign policy on military strength. The Senate bill requires the submission to Congress of whatever plan for a universal military program

the Administration works out, but it authorizes the carrying out of the program unless either the Senate or House should veto it within 60 days after the submission. The Senate plan, in other words, would require no affirmative action by Congress.

By contrast, Chairman Carl Vinson of the House Armed Services Committee on April 6 offered to the House an amendment which would require explicit congressional approval of any Administration military training program before the program could go into effect. Representative Vinson took this step after determining that the House might reject his whole bill, including its extension of the draft law and the new provision for lowering the draft age to 18½, if he pressed for the Senate provision. Even this concession failed to satisfy a number of Representatives, who supported a proposal by Representative Graham A. Barden, Democrat of North Carolina, eliminating from the military bill all reference either to universal military training or to 18½-year-old draftees. The announcement by Speaker Sam Rayburn on April 4 that Communist troops who were not Chinese (presumably Russian) were massing in Manchuria failed to change the House's attitude toward universal military training. Information to substantiate the Speaker's assertion has not yet become available.

In refusing to approve the request for funds to augment the State Department's information program, the House Appropriations Committee specifically criticized the Administration on grounds that "mismanagement and poor planning with regard both to the engineering and to the administrative phases of the program have

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cost valuable time as well as dollars." The subcommittee concerned with State Department appropriations recommended on April 5 the assignment of \$9.5 million instead of the \$97.5 million requested, a cut of 90 per cent. President Truman himself asked the full committee to reject the position of the subcommittee. Instead, the full committee upheld the smaller group.

### ***MacArthur vs. Washington***

In eliciting a letter from General MacArthur, Representative Martin aggravated a situation chronically trying for the Administration and endangered the continuation of sound relations between the United States and its UN allies. While this country's foreign policy rests on the assumption that Europe is the world's crucial continent, General MacArthur expressed once

more his familiar opinion that Asia is more important. He offended the Europeans by stating that "here [in Asia] we fight Europe's wars with arms while the diplomats there still fight it with words"—implying that the resolution of issues should be sought through war and not through negotiations.

The Administration will not accede to General MacArthur's proposal, which, according to indignant British opinion, delays the day when the UN forces and the Chinese Communists can find diplomatic means for ending hostilities in Korea. The President, Secretary of State Dean Acheson, Secretary of Defense George C. Marshall and the Joint Chiefs of Staff are united in their opposition to the MacArthur proposal. The Administration, however, is at a loss about means for pre-

venting him from making political observations in the future as embarrassing to the President as those of the past. The possibility that removal from his post might make of him a living martyr is a political obstacle to action by the Administration. President Lincoln removed General George B. McClellan from his command in vaguely similar circumstances, but President Polk was as hesitant as President Truman about recalling General Winfield Scott when the latter publicly took a political position different from that of Polk's regarding the Mexican war. Continued policy statements from General MacArthur confuse our allies about our purposes and encourage Congress to flout the President as freely as the General, thus allowing the initiative in world affairs to slip from the hands of the Executive. BLAIR BOLLES

## ***Practical Application Will Test Hemisphere Accord***

Secretary of State Dean Acheson's characterization of the Fourth Meeting of Consultation of American Foreign Ministers as "something outstanding" was justified. Seldom has an inter-American conference moved with such speed and smoothness.

It opened formally on March 26. Two working weeks later, on April 7, the foreign ministers of the 21 nations signed the final act. There had been little of the jealous bickering which so often mars such meetings. The perennial trouble-maker, Argentina, was on its very best behavior—perhaps as a reaction to the world-wide revulsion against President Juan D. Perón's persecution of *La Prensa*. Problems arose, differences were argued out and compromises were agreed on in a spirit of friendliness and unity which has been absent from inter-American diplomacy since the end of World War II.

Insofar as words could do it, the conference has drawn the Americans into a close working unity in the international crisis. But it must be borne in mind that the resolutions adopted in Washington are only recommendations to the several governments. They do not have treaty force, and their ultimate significance will depend on their implementation. On this score fingers must be crossed.

### ***Working Unity***

The most important of the resolutions, in the opinion of the United States, dealt with political and military cooperation. Up to a point the United States got what it wanted. The Latin Americans propose to expand their military forces. The Inter-

American Defense Board, moribund left over from the last war, will be revived and put to work on plans for a balanced, cooperative military defense of the Western Hemisphere. Moreover, "each of the American Republics . . . should give particular attention to the development and maintenance of elements . . . for service as a United Nations unit."

This clause was the most hotly argued issue of the conference. With the exception of Colombia and Cuba, no Latin American country has made any move to contribute to the armed forces of the UN in Korea, and it is pretty clear that few of them intend to do so in the future. A kind of continental isolationism is still strong in many parts of the Hemisphere. Delegates criticized the emphasis the United States placed on the United Nations during the conference, and several of them were reluctant to commit themselves to furnish troops to the world organization. They therefore objected, with varying degrees of intensity, to the recommendation about UN units. Argentina opposed it with particular vehemence.

The United States finally accepted the qualification that the proposed units would be contributed by each country only as "in its judgment, its capabilities permit." The fact that Argentina thereupon reversed itself and signed with the others helped make this a significant victory for the United States. But it should not be forgotten that a similar qualification forced on the Rio conference of 1941 served as an excuse for Argentina to continue relations with the Axis powers after all the other

American nations had broken them off. This resolution is a worthwhile reaffirmation of Latin American support for the United Nations, but it is not likely to add much to the UN's armed forces.

The problem of internal security offered no difficulties. The delegates agreed, quickly and unanimously, that they should tighten up their security systems and that they should pay particular attention to border controls over the wanderings of suspicious foreigners. As an implied warning to the dictators among them who might be tempted, under cover of this resolution, to use the stricter controls chiefly against their domestic opponents, they recommended that in applying it "they bear in mind the necessity of guaranteeing and defending . . . the rights of the individual and . . . basic democratic institutions." How much effect this warning will have is problematical.

### ***Concern Over Inflation***

As had been anticipated, the economic committee was the busiest working group of the conference. Only by sitting all through one night was it able to boil down 48 draft resolutions into manageable form.

The result could be called a draw. The Latin Americans did not get all they wanted, but they were not so keenly disappointed as to make an issue of it. The United States made some rather sweeping general promises but did not commit itself to any obvious economic impossibilities.

The assurance most welcome to the Latin Americans was "that the economic development of underdeveloped countries

should be considered as an essential factor in the total concept of Hemisphere defense." To meet some of the more specific economic ills they fear, the United States assured them of a continuous flow of the machinery and other supplies they need to build up their productive capacity and agreed to the establishment of an inter-American board which would try to keep Latin American and North American prices in line. Inflation will be fought, and the Latin Americans will be protected against the blow that struck them at the end of World War II: a sharp decline in the value of their accumulated dollars.

These economic resolutions are soothing to the Latin Americans, but they are ominously generalized. Broad generalizations also made up the economic output of the Chapultepec conference in 1945. When it came to interpreting them, Latin American and United States views proved to be far apart. The result was a good deal of hard feeling on the part of the Latin Americans, who believed that the United States was not living up to its promises. That could happen again.

In sum, the conference was most notable for the readiness of all parties to cooperate. It was as if the late Good Neighbor policy

had come back to life. This feeling was reflected in the resolutions, which form an admirable blueprint for a united hemispheric effort. Final judgment, however, should be reserved until the recommendations are translated into action. It is safe to say that the Washington conference was a very good start. But it would be fatal for the United States to assume comfortably that all its continental problems are now wrapped up in a neat little package.

HARRY B. MURKLAND

(The second of two articles. Mr. Murkland, Latin American editor of *Newsweek*, attended the Western Hemisphere conference.)

## Rockefeller Report Spells Out Point Four Proposals

The report submitted to the President on March 7, 1951 by the International Development Advisory Board, headed by Nelson A. Rockefeller, represents an attempt to vitalize the Point Four program. The study—entitled *Partners in Progress*—stresses the fact that "strengthening the economies of the underdeveloped regions and an improvement in their living levels must be considered a vital part in our own defense mobilization."

### New Wine or New Bottles?

A considerable portion of the document restates material presented in *Point Four*, a State Department publication issued in January 1950, and the Gray report on *Foreign Economic Policies* of November 10, 1950.

The reports differ, however, in matters of emphasis. The State Department document—published before the war in Korea—was an attempt to explain and build public support for legislation implementing the fourth point in President Truman's inaugural address of January 1949. (The Act for International Development, Public Law 535, was passed on June 5, 1950.) Consequently attention was focused on the benefits that will accrue to the entire world as a result of a cooperative program of "self-help." For example, expansion of the output of raw materials is considered desirable because it "can be a process of great mutual benefit by increasing the world supply of these commodities while expanding purchasing power in the countries of origin."

The Gray report, which was completed after the aggression in Korea, emphasized that economic aid is as essential a pillar of American foreign policy as military aid. Its answer to the post-Korean scramble for raw materials was a program of "international collaboration" whereby every ef-

fort would be made to expand the output of critical items in short supply and of cooperative action for "guiding supplies of scarce materials among the free nations in the manner best calculated to contribute to the common defense" and "to assure the delivery of [raw materials] required by other countries for purposes that support broad United States interests."

The Rockefeller study noted that the military mobilization of the democratic states places a greater premium than ever on viable economies. It tends, however, to stress even more the immediate benefits that the United States will receive as a result of increasing the productive capacity of the democratic states. *Partners in Progress* asks, "How long could the United States [which only produces one-third of the world's annual output of the 15 basic raw materials] maintain its place as a producer of more than half of the world's industrial output if forced to depend on its own material supplies?" The present crisis, "by compelling us to weigh soberly and carefully all demands that draw upon materials or products," focuses "our attention upon what we get in return."

### Specific Recommendations

The Rockefeller report makes several specific proposals to help carry out a program of aid to the underdeveloped areas. "The first imperative must be to rebuild sufficient military strength to resist aggression." A new unified agency—perhaps called the United States Overseas Economic Administration—is suggested as a device to overcome the duplication of effort arising from the fact that at the present time 23 United States agencies have foreign economic functions.

The Advisory Board recommends that the new body should first of all press for a \$2-billion development program to ex-

pand raw material output—this increased production to be accomplished under private auspices. This program as well as all other activities of the Overseas Economic Administration should be carried out on a regional basis because the approach to each area must be geared to the particular historical, social, cultural and economic conditions peculiar to that region.

The report recommends that these basic service projects be financed with the \$500-million appropriation suggested for this purpose by the Gray report. In order to assure the fulfillment of essential public works projects, *Partners in Progress* urges that—in addition to the Gray proposal that the International Bank for Reconstruction and Development and the American Export-Import Bank lend a total of \$600-800 million annually—an International Development Authority be established with an initial capitalization of no more than \$500 million to finance a portion of the cost of projects which are important although not immediately profitable in a financial sense. The new authority would work very closely with the International Bank. The Advisory Board recommends that member quotas be proportional to the quotas established for the International Bank and that the United States contribution be set at \$200 million.

### Private Incentives

In order to stimulate the flow of private American funds to the underdeveloped regions, it is suggested that tax incentives and bilateral treaties of commerce and friendship be utilized. It is further suggested that a \$100-million fund from the loan and guaranty authority of the Export-Import Bank be used to underwrite the transfer risk on new foreign investment. In addition, every effort should be made to stimulate the mobilization of local cap-



ital. For this purpose it is recommended that an International Finance Corporation, to be affiliated with the International Bank, be set up to make loans in local and foreign currencies to private enterprises in the underdeveloped areas. The United States subscription would amount to \$150 million out of a total authorized capital of \$400 million. This corporation would also be empowered to make nonvoting equity investments and thus permit new productive enterprises to start operations without the burden of heavy fixed charges. The international agency would not, of course, have to assume any responsibility for management.

The Advisory Board expresses confidence that if its recommendations are carried out, the present \$1-billion annual flow of private United States investment to foreign countries can be doubled. If this sum could be raised to \$2.5 billion, it would be of inestimable value in strengthening the economies of the underdeveloped areas and would also redound to the benefit of the United States—and would represent a total flow of funds equal to only 1 per cent of the national income of this country.

The merit of this report is that while its economic analysis is not quite so perceptive as that of the Gray report or the State Department study, it goes into far greater detail as regards concrete proposals designed to implement the concepts behind the Point Four program.

Thoughtful readers of *Partners in Progress* are bound to wonder, however, if it will become a signal for action or merely another addition to the already substantial literature on the virtues of developing the underindustrialized areas.

HOWARD C. GARY

## FPA Bookshelf

*This I Remember*, by Eleanor Roosevelt. New York, Harper, 1949. \$4.50.

In this frank, informal portrait of the life of America's great war president, Mrs. Roosevelt not only sheds a warm light on his personality and that of numerous family members and colleagues, but also reveals many interesting aspects of national and international politics during the war and prewar period.

*Labor Dictionary*, by P. H. Casselman. New York, Philosophical Library, 1949. \$7.50.

A new dictionary by a professor of industrial relations at the University of Ottawa, including 1,652 definitions, 27 biographies, 107 labor agencies, 192 abbreviations and 447 cross-reference titles, based chiefly on American and Canadian usage.

*The Columbia Encyclopedia*, edited by William Bridgwater and Elizabeth J. Sherwood. New York, Columbia University Press, 1950. \$25.

The second edition of this notable one-volume encyclopedia is a high achievement of the editorial and book-making arts. It consists of 70,000 articles, or 6 million words, in a single volume of 2,300 pages. The student of international affairs will find brief but informative accounts on any subject from the ABC powers to King Zog.

*Island Administration in the South West Pacific*, by Cyril S. Belshaw. London and New York, Royal Institute of International Affairs, 1950. \$2.50.

Students interested in Point Four and problems of development in dependent areas will welcome this able study of New Caledonia, the New Hebrides and the British Solomon Islands, which combines an acute awareness of local social structure and attitudes with an analysis of economic and political change.

## Branch and Affiliate Meetings

HARTFORD, April 16, *Britain's Military Effort in the Far East*, Brigadier Ian L. Wight

CLEVELAND, April 17, *Indonesia—Test of UN Power in the Far East*, H. E. Ali Sastroamidjojo

NEW ORLEANS, April 17, *Britain and Europe: Integration and Defense*, Andrew Shonfield

PHILADELPHIA, April 17, *Is Peace Possible the International Way?* Crystal Bird Fauset

DETROIT, April 18, *Where Is Our Foreign Policy Leading Us in the Middle East?* John P. Dawson

PHILADELPHIA, April 19, *Alternatives For U.S. Foreign Policy*, George B. Clothier

POUGHKEEPSIE, April 20, *Rethinking Our Far Eastern Policy*, Edwin Reischauer

SPRINGFIELD, April 21, *England and the Council of Europe*, Kenneth Lindsay

NEW YORK, April 23, *Power Politics in Iran*, N. Saifpour Fatemi

PHILADELPHIA, April 23, *What Is Our Foreign Policy and How Should It Work?* John W. Nason

DETROIT, April 24, Annual Meeting

PHILADELPHIA, April 24, *What Are the U.S. Stakes in Europe?* H. Field Haviland, Jr., Johannes U. Hoerber; *If You Were Secretary of State*, Rex Crawford, John McCullough

ST. PAUL, April 24, *How Can the Development of Backward Areas Safeguard Peace?* Stringfellow Barr, Lennox A. Mills

BOSTON, April 25, *The Next Phase in U.S. Foreign Policy*, Vera M. Dean

DETROIT, April 25, *Where Is Our Foreign Policy Leading Us in Latin America?* Norman Guice

PHILADELPHIA, April 25, *U.S. Foreign Policy in Asia*, Norman Palmer, Lewis Hoskins

NEW YORK, April 26, *Who Makes Our Foreign Policy?* Blair Bolles

PHILADELPHIA, April 26, *Turkey*, H.E. Feridun C. Erkin; *The Campaign for Truth vs. Communist Propaganda*, Elinor K. Wolf, Melvin K. White-leather

MILWAUKEE, April 27, 28, Institute on U.S. Foreign Policy in cooperation with the Department of State, General A. Robert Ginsburgh, Hon. Wayne Morse

## News in the Making

**AID TO THE PHILIPPINES:** Passage of a tax reform measure and a minimum-wage law by the Filipino legislature is the signal for sponsorship of an American aid program by the Economic Cooperation Administration. A bill to extend about \$50 million in loans and grants to the Philippines during the coming fiscal year will soon go to Congress. Manila's economic reforms are in line with the Bell mission report, which recommended assistance up to \$250 million over five years once "inefficiency and corruption" in the Philippines had been overcome.

**VATICAN DIPLOMACY AT WORK:** The Roman Catholic primate of Poland, Archbishop Stefan Wyszynski, arrived in Rome early this month on a mission to Pope Pius XII described as "too delicate to be disclosed." It is believed that the Polish primate may try to persuade the Vatican to recognize as Polish the territory Warsaw took over from Germany after World War II. In his prison at Lepoglava, Archbishop Aloysius Stepinac of Yugoslavia told an Associated Press representative on April 6 that a compromise solution of differences between the Church and the Tito government could and should be worked out "in the interests of both."

**DUTCH ECONOMIC CRISIS:** The economic crisis precipitated in the Netherlands by the world-wide raw material scramble and West Germany's decision to curtail imports continues unabated. During the past six weeks the Dutch foreign exchange reserves have decreased at a rate of about 30 million guilders a week. The strain on the internal monetary situation is reflected in rising interest rates, stiff increases in nearly all tax levies and spiraling prices.

**IRAN'S OIL:** Britain appears to have accepted the decision of the Iranian parliament to nationalize its petroleum production, including the holdings of the Anglo-Iranian Oil Company. London hopes a favorable atmosphere will contribute to a compromise which would compensate for British investments and maintain the flow of oil. Meanwhile, American and British officials conferred in Washington on April 9, reaffirming support for Iran's political and territorial independence.

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